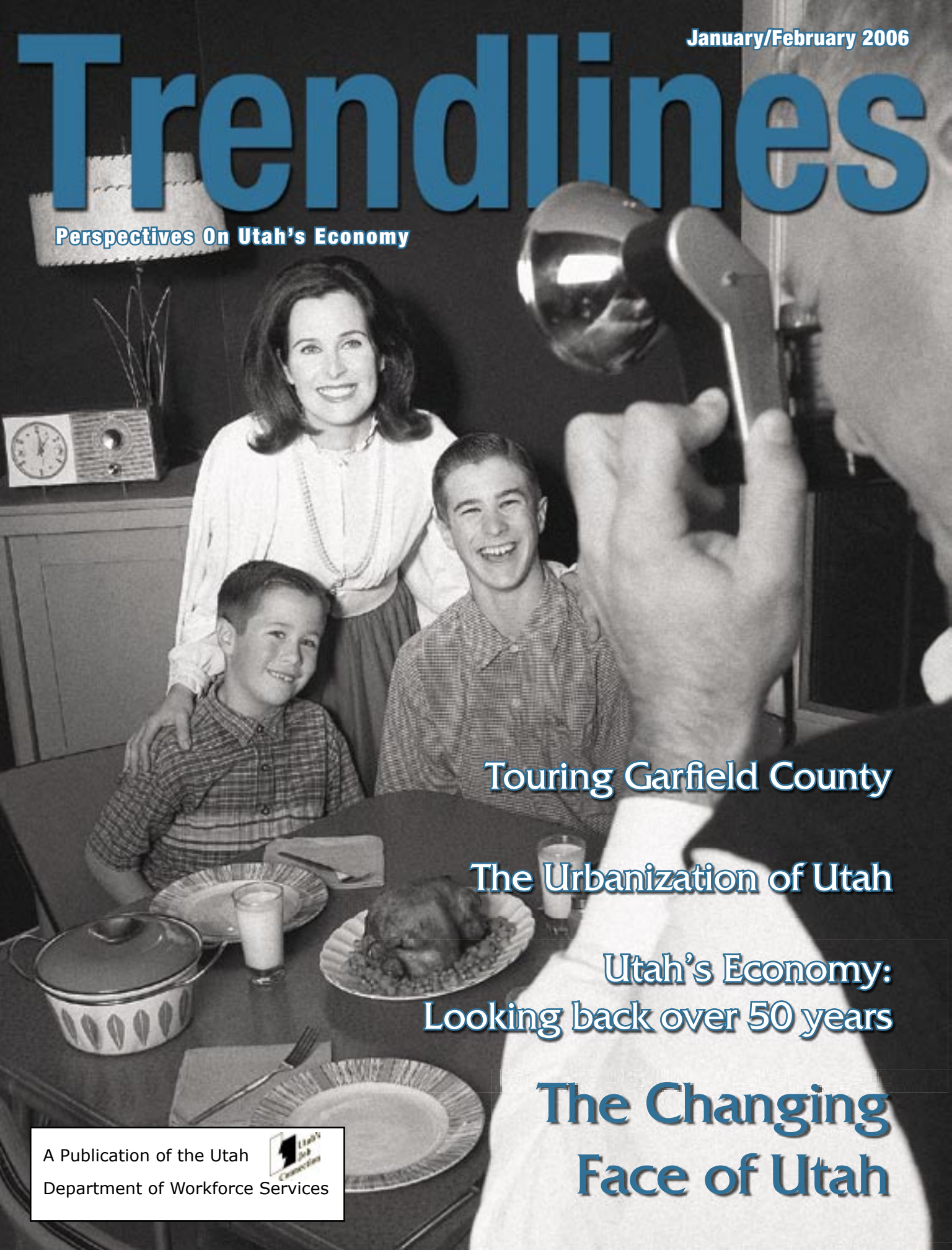
January/February 2006

Trendlines

Perspectives On Utah's Economy



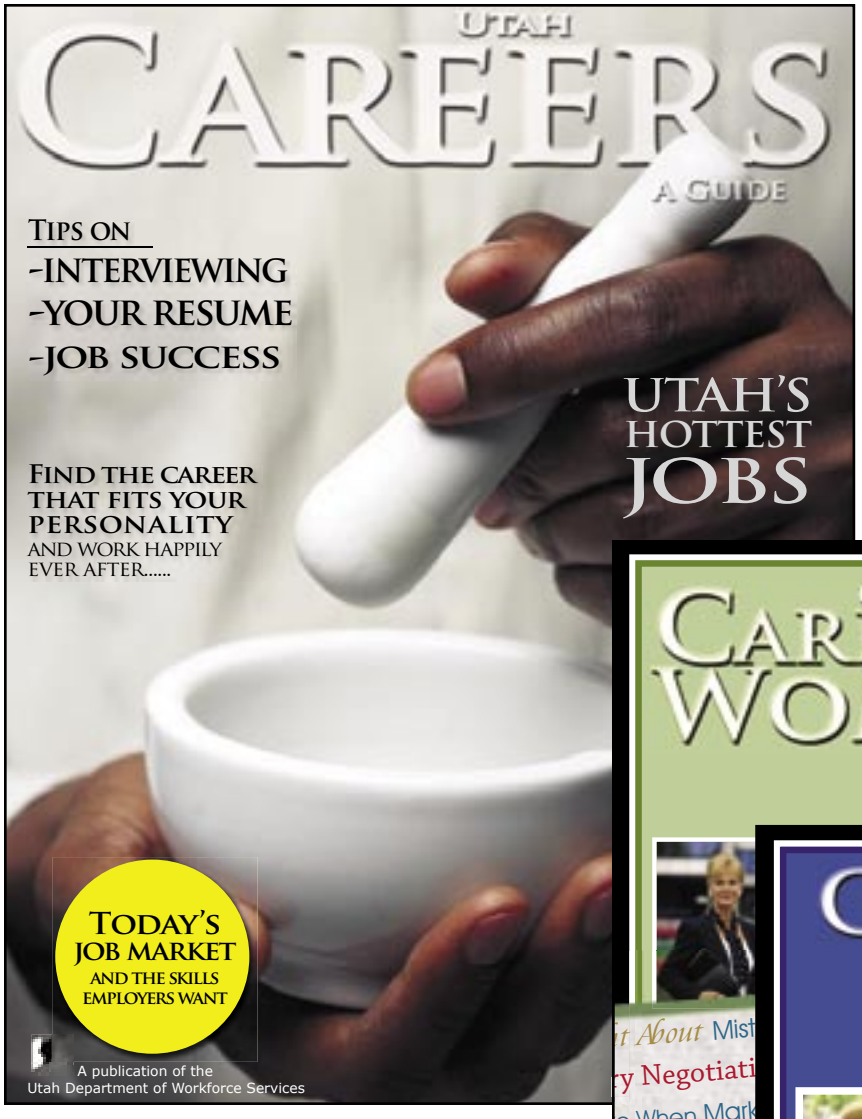
Touring Garfield County

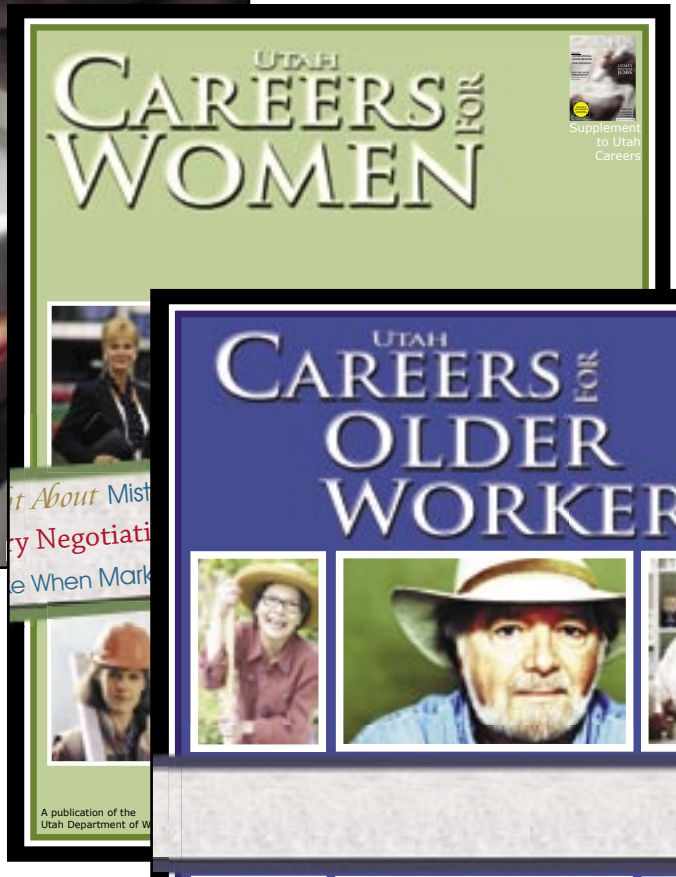
The Urbanization of Utah

Utah's Economy: Looking back over 50 years

The Changing Face of Utah

A Publication of the Utah Department of Workforce Services





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features

departments

Mark Knold is the senior economist for the Utah Department of Workforce Services. His role is to represent the Department on economic issues and to convey clearly and precisely the Department's economic information and unemployment statistics. Mark has worked for the Department for nearly 15 years and holds an M.S. and B.S. in economics from the University of Utah. He serves on committees that advise the governor, state economic councils, economic development agencies, and legislative committees.

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Michael Hanni is currently a regional economist for the Department of Workforce Services (DWS). He has responsibility for the seven counties comprising eastern Utah: Daggett, Duchesne, Carbon, Emery, Grand, San Juan, and Uintah. Michael earned a Bachelors of Science in economics and a Bachelors of Arts in political science at the University of Utah. He is currently finishing up a Masters of Arts in economics at the same institution. While Michael is a native of Texas, Utah has become his home. An avid hiker, he has been bewitched by the beautiful landscapes of eastern Utah.

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Trendlines

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Austin Sargent is an economist with DWS. He responsible for the federal/state cooperative program - LAUS (Local Area Unemployment Statistics). Mr. Sargent has been an economist with DWS for six years. Prior to that he was a research economist for fourteen years at the Bureau of Economic and Business Research at the University of Utah. Austin has a Masters in public administration and a Bachelor's of Arts degree in political science from the University of Utah. He is currently an associate member of the Governor's Council of Economic Advisors and a member of the Wasatch Front Economic Forum.

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That Was Then

Where are we now?

In 1984 as Utah was recovering from a recession, we employed just over 600,000 people making an average of $1,409 a month. The median price for a home in Utah in the mid-80s was $63,000. In 2004, with our latest recession behind us, we employed over 1.1 million with an average monthly wage of $2,641. The median price for a home in 2000 was $146,100.

But are we better off twenty years later? With home prices at their highest level, and natural gas prices on the rise, does your dollar buy more today? If you adjust for inflation, 1984 wages of $1,409 would equal $2,561 today. The median home price would be $113,400.

In 1984 Utah was recovering from a recession. Are we better off twenty years later?

Even though Utah is ranked among the top states in new employment growth and has a higher-than-the-national median price for a home, Utah falls well below the nation's average monthly wage of $2,904.

How do Utah's counties compare?

With the mining business booming in the 1980s, Emery County topped the list of Utah's counties with the highest average monthly wage at $1,998. However, with the composition of Utah's economy changing from mainly goods-producing to service-oriented, Emery County fell to second in the wage hierarchy at $2,883—behind Salt Lake County ($2,956) and slightly above Tooele County ($2,852).

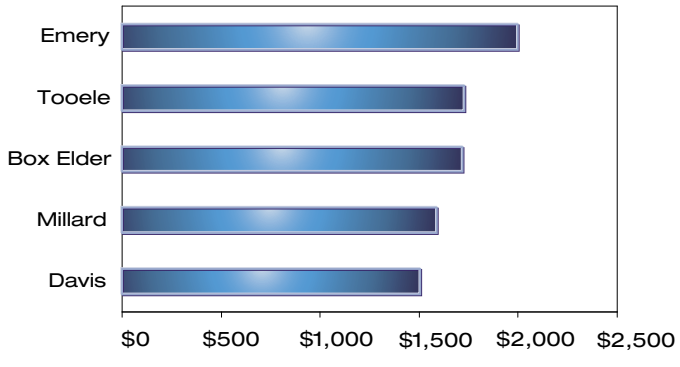
Does size matter?

Do larger employers pay more than smaller ones? Actually it's mixed. Employers with between five and 49 workers pay less, on average, than those who employ either under five or more than 50. Companies employing over 1,000 pay the highest, with an average monthly wage of $2,951. That's over 11 percent higher than the statewide average of $2,904.

Where do we go from here?

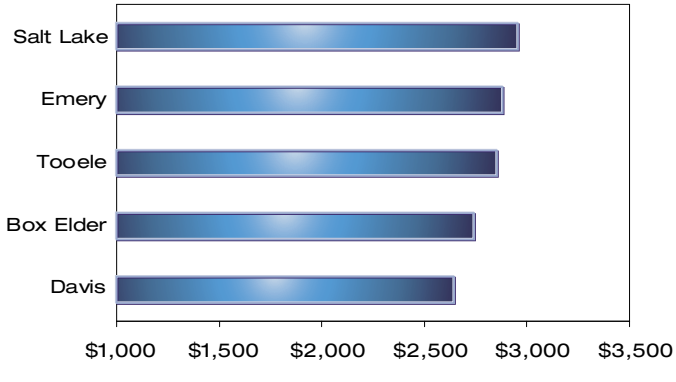
The economy seems to be stabilizing, gasoline prices are on the decline, and inflation is still low. This is good news. Maybe this improvement in the economy will stimulate the hiring of additional workers. This, in turn, may allow workers the opportunity to increase their economic status, and more easily shoulder the burden of higher fuel and home prices.

Top Counties' Average Monthly Wage
1984



Source: Utah Department of Workforce Services, Workforce Information

Top Counties' Average Monthly Wage
2004



Source: Utah Department of Workforce Services, Workforce Information

Garfield County Highlight

The words "Garfield County" and "tourism" often go hand in hand. Garfield County is one of the most tourism-dependent counties in Utah, and no wonder. Garfield County includes some of the most awesome scenery in the world.

How does a tourism-dependent economy show up in Garfield County's economic indicators? Almost 40 percent of Garfield County's nonfarm employment can be categorized in the leisure/hospitality industry—in vivid contrast to the statewide figure of only 9 percent.

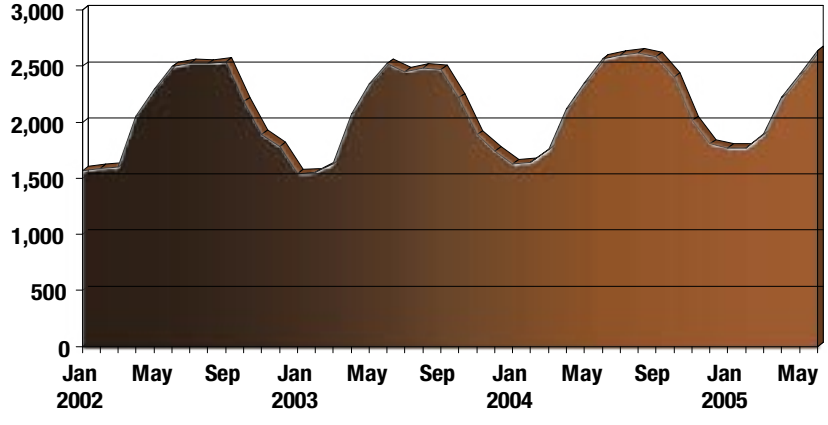
The seasonal nature of Garfield County's tourism employment is also evident in its unemployment rate. In just the past 12 months, Garfield County's (seasonally-unadjusted) jobless rate ranged from a high of 15.5 percent (in the dead of winter) to 4.8 percent during the summer season. With a high percentage of its population out of work in the off-season, Garfield County often sports one of the highest annual unemployment rates in the state.

More? go to: http://jobs.utah.gov/opencms/wi/regions/western/garfield/

did you know?

- **Garfield County's largest employers include Ruby's Inn, the Garfield County School District, and the federal government (which includes the National Park Service).**
- **Garfield County is home to Bryce Canyon National Park, part of Capitol Reef National Park, three state parks, part of the Grand Staircase Escalante National Monument, and a piece of Lake Powell.**
- **According to the Bryce Canyon Country website, Garfield County has no stop lights and only one attorney.**
- **Almost 30 percent of Garfield County's nonfarm jobs are categorized in the lodging industry.**

Seasonal Nature of Garfield County's Employment
Garfield County Nonfarm Jobs by Month



Source: Utah Department of Workforce Services.

It pays to call a PRO

Utah's recovery continues to chug along at a healthy pace. It is broad-based with every major industry sector showing increased employment. Leading the way are construction, and professional and business services. Currently, these two industries account for more than 40 percent of the new job growth.

In a recent issue of TrendLines, we examined the contribution of the construction industry to Utah's economy. Now we will examine the role of a key component of the professional and business sector professional and technical services, and how it enhances Utah's economic performance.

As economists, we like to see job growth in the professional and technical services area because the majority of these jobs are high-paying, knowledge-based occupations. If this industry is showing solid growth, that bodes well for the economy at large. Professional and technical services include firms engaged in engineering, computer system design, legal services, accounting services, and scientific research and development, among others.

During the past recession, professional and technical services felt the "high-tech" bubble burst, losing nearly 3,000 jobs from its peak in December 2000 to its trough in September 2002. Most of the losses were concentrated in computer system design services. Since then, the industry has seen a net increase of more than 5,900 jobs, as of June 2005. The acceleration in net job creation has been most pronounced in the last nine months, with nearly 3,300 new jobs, compared to the 2,600 that were added in the previous two years.

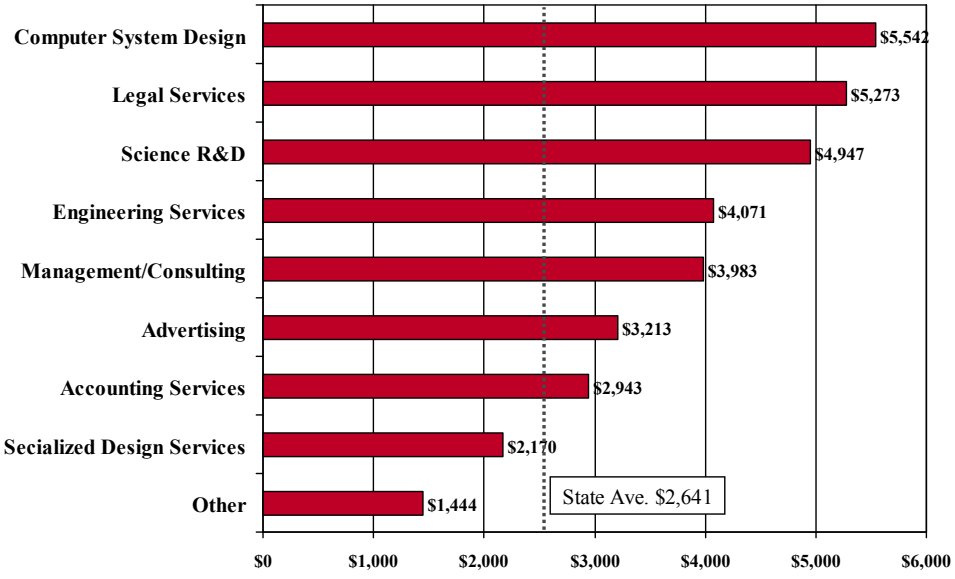
The strongest job growth has been in legal, engineering, management/consulting, and scientific research and development services. The added bonus to growth in these jobs is that they are among the most lucrative, paying an average of $4,119 per month—well above the 2004 state average monthly wage of $2,641.

We expect this industry to continue to show healthy job growth. Still, it faces some challenges: the continuous need for skilled workers, difficulty in finding venture capital, and the slowdown in science research and development funding—all of which may constrain industry growth. While these factors may slow the current rate of growth in 2006, professional and technical services will continue its upward expansion.

More? Go to:

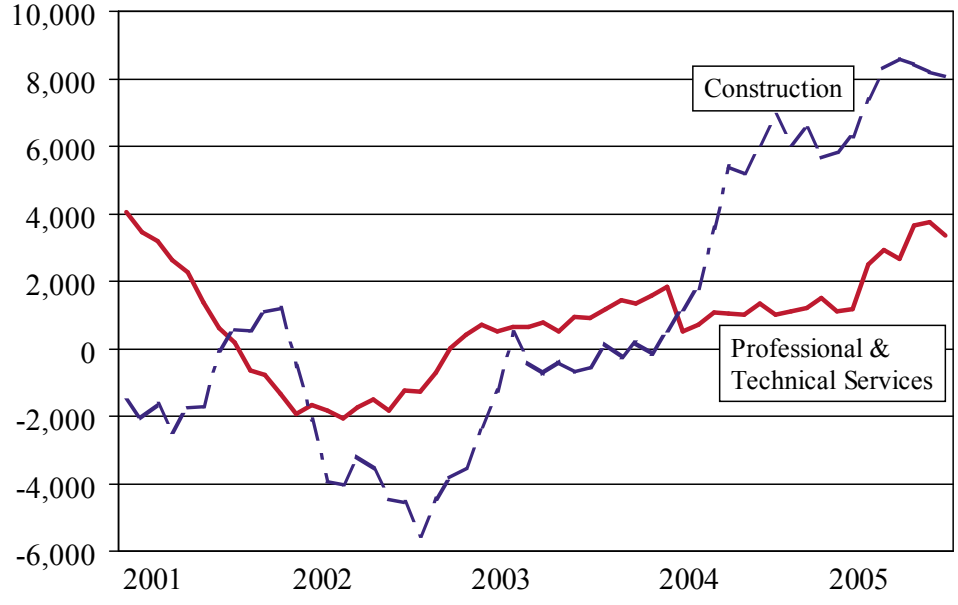
http://jobs.utah.gov/opencms/wi/pubs/une/
http://jobs.utah.gov/opencms/wi/press/tlextra/

Average Monthly Payroll Wages in Professional and Technical Services in Utah, 2004



Source: Utah Department of Workforce Services

Numeric Change in Employment in Professional and Technical Services and Construction in Utah, 2001 - 2005



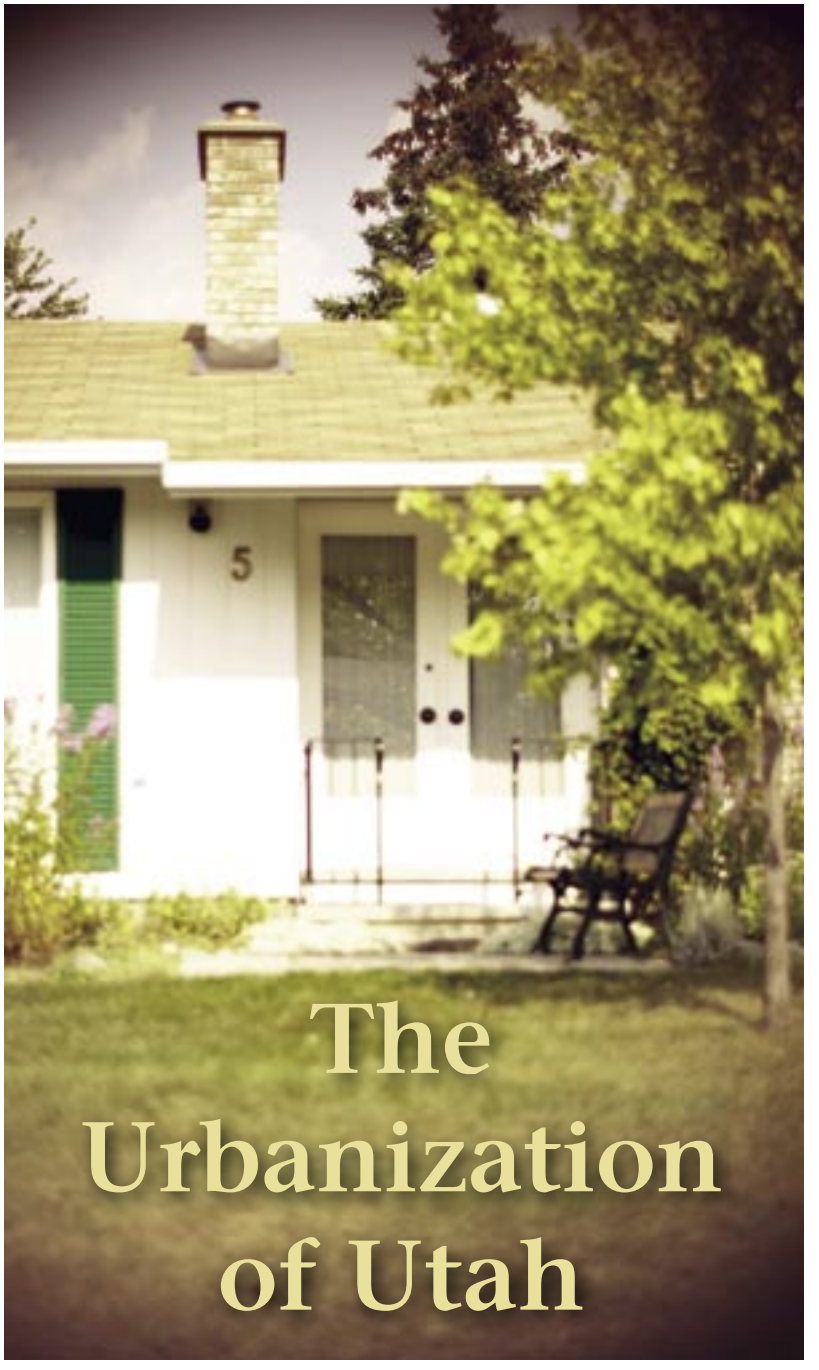
Source: Utah Department of Workforce Services

highlights

Cabela's is likely to be king of Traverse Mountain for a long time to come, but developers and government officials are heralding a proposed Gateway-like project south of Point of the Mountain that, if built according to plans, could be the crown jewel of north Utah County. http://deseretnews.com/dn/view/0,1249,635158904,00.html

Utah's population has topped 2.5 million for the first time, and the state's growth is being driven largely by a record number of people moving into the state, according to the Utah Population Estimates Committee. http://deseretnews.com/dn/view/0,1249,635161642,00.html

Swedish home furnishings giant Ikea, which has been scouting the Wasatch Front for its first Utah location, appears to have found a site for a new store in Draper near the intersection of Interstate 15 and Bangerter Highway. http://www.sltrib.com/business/ci_3220998



The Urbanization of Utah

In 1940, roughly 40 percent of Utah's population lived outside the "big four" Wasatch Front counties

Urbanization—it seems a fact of modern life. The country mouse moves to town and becomes the city mouse. How has this type of migration shown up in Utah's population over the past 65 years? The answers may or may not surprise you.

Back in 1940, roughly 40 percent of Utah's population lived outside the "big four" Wasatch Front counties—Salt Lake, Utah, Davis and Weber. And for roughly two decades, the share of population living outside the Wasatch Front steadily declined. In those two decades, roughly 15 percent of Utah's population had shifted to the Wasatch Front from more rural counties.

Holding Steady

By 1964, the population hemorrhaging from less-urbanized areas seemed to stop. In fact, from 1965 to 1995, Utah's off-the-Front population share held relatively steady at about 22 to 23 percent. Now, in the last ten years, the off-the-Front population share has started to increase—albeit at a snail's pace. In 2005, slightly more than 24 percent of Utah's population resides in non-Wasatch Front counties.

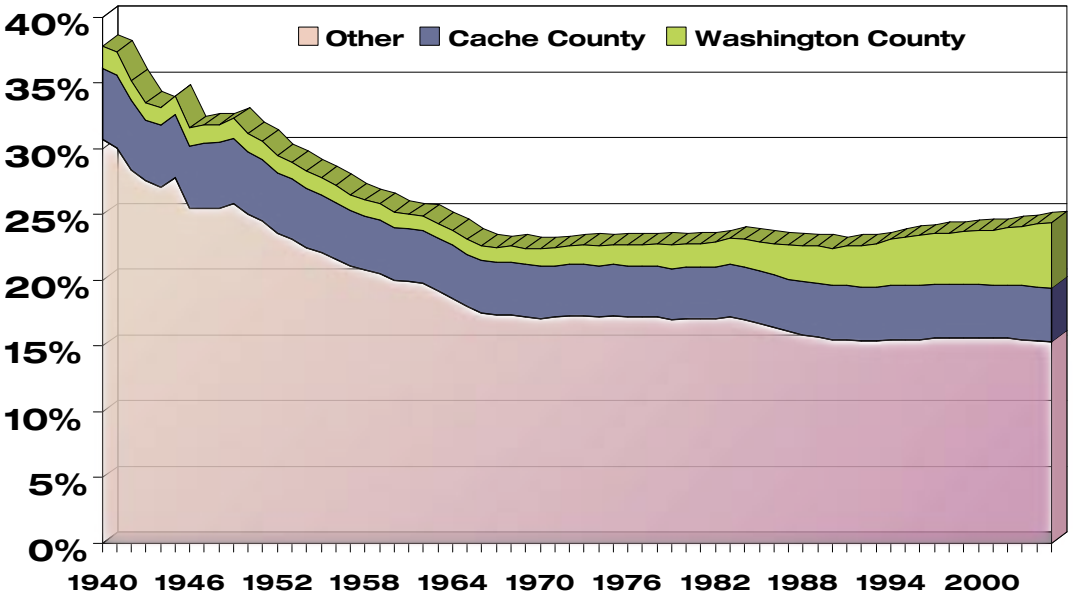
Reclaiming a Bit of Ground

Why are these counties slowly reclaiming population ground? Many of the fastest-growing counties are those contiguous to the Wasatch Front. As urban counties become congested and expensive, individuals have spilled out into Tooele, Morgan, Summit, Juab and other nearby counties. In addition, regional population centers have begun to arise. Washington County has grown so rapidly, it was recently designated a Metropolitan Statistical Area by the federal government. Cache County has also obtained that designation although its population climb was more gradual.

We're All Different

When combined, off-the-Front counties show a trend. However, the population experiences of these counties are as varied as the counties themselves. Some of the counties with larger population bases in 1940 (Box Elder, Cache, Washington, Iron, and Tooele) experienced continued population growth through most of the 1940-2005 time period.

Utah Off-the-Wasatch-Front* Population as a Percent of Total Population



Source: Utah Population Estimates Committee.
*For this chart, Wasatch Front counties are considered Salt Lake, Utah, Weber, and Davis counties.

Other natural resource-dependent counties (such as Uintah, Duchesne, Emery, Carbon) showed population ebbs and flows which coincided with booms and busts in their economic base. A substantial number of counties experienced net out-migration between 1940 and 1965 only to regain population ground in the 60s, 70s, 80s, and 90s.

Interestingly, two counties—Piute and Garfield—maintain a 2005 population smaller than registered in 1940. In addition, Emery and Rich counties currently house almost an identical number of residents today as they did 65 years ago.

did you know?

- Leggett & Platt Inc. will shut down operation of its Cedar City plant in mid-December, displacing about 70 employees.

- The new, $6-million terminal at Cedar City Regional Airport officially opened with a dedication ceremony and a flight touching down on a freshly paved runway.

- The state School and Institutional Trust Lands Administration has selected Ivory Homes to build a residential community of almost 1,000 residences on 360 acres of trust land near St. George.

The Winter of

This winter, the cost of heating our homes will be substantially more than last year, according to the U.S. Energy Information Administration.

Robust worldwide energy demand and hurricanes Katrina and Rita have combined during 2005 to produce the highest energy prices in a generation. National average gasoline prices leaped immediately following Hurricane Katrina by almost 50 cents per gallon, reaching about $3.06 per gallon. Large price increases were also recorded for natural gas, diesel fuel, home heating oil, and aviation fuel.

The hurricanes caused major damage to oil and gas wells, production facilities, pipelines, ports, and refineries – offshore in the Gulf of Mexico and onshore along significant areas of the coast. Major efforts to repair and recover have been underway for three months, yet there remains much more to do. The onshore damage to refineries, processing plants, and transportation pipelines should be repaired by the end of March 2006. However, repairs to the much more extensively damaged offshore platforms, wells, and pipelines are not expected to be fully completed until June of 2006.

Even with reduced refining capacity, gasoline returned to pre-Katrina prices by the end of November 2005, with the help of gasoline imports and some price-induced reductions in demand. Other fuels – diesel, heating oil, and natural gas – remain at more elevated levels.

This winter, the cost of heating our homes will be substantially more than last year, according to the U.S. Energy Information Administration. Nationally, the average household cost for heating with natural gas this winter will be an additional $281, or 37.8 percent more than the $743 cost during the winter of 2004/2005. Households using heating oil are forecast to spend an additional $255, or 21.3 percent more than the average cost of $1,199 for last winter.

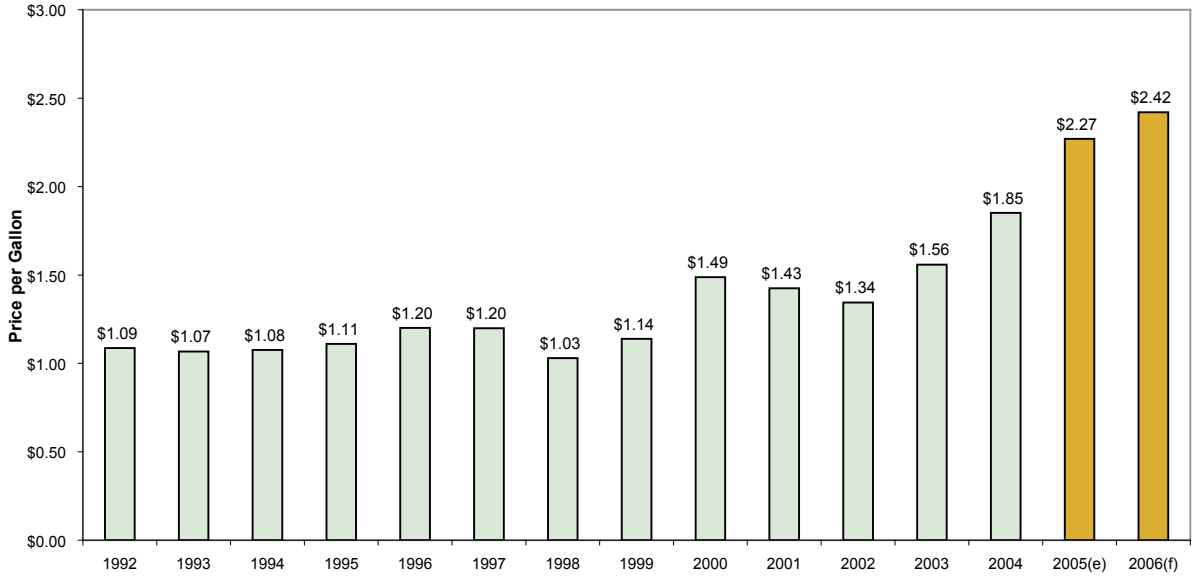
All of the higher energy costs will affect growth in the U.S. economy as consumers and businesses spend more for energy and less on other things. The direct affects on consumers, paying more for running their cars and heating their homes, reduces their disposable income and savings or increases their debt. Furthermore, these high energy costs will ripple throughout the economy with higher production, transportation, and other operating costs for all businesses.

To date, the economy has shown a remarkable resiliency, absorbing these higher costs. The U.S. economic expansion remains on track, with healthy growth in employment, production and incomes, in spite of the higher energy headwinds.

Our Discontent

- High Energy Prices

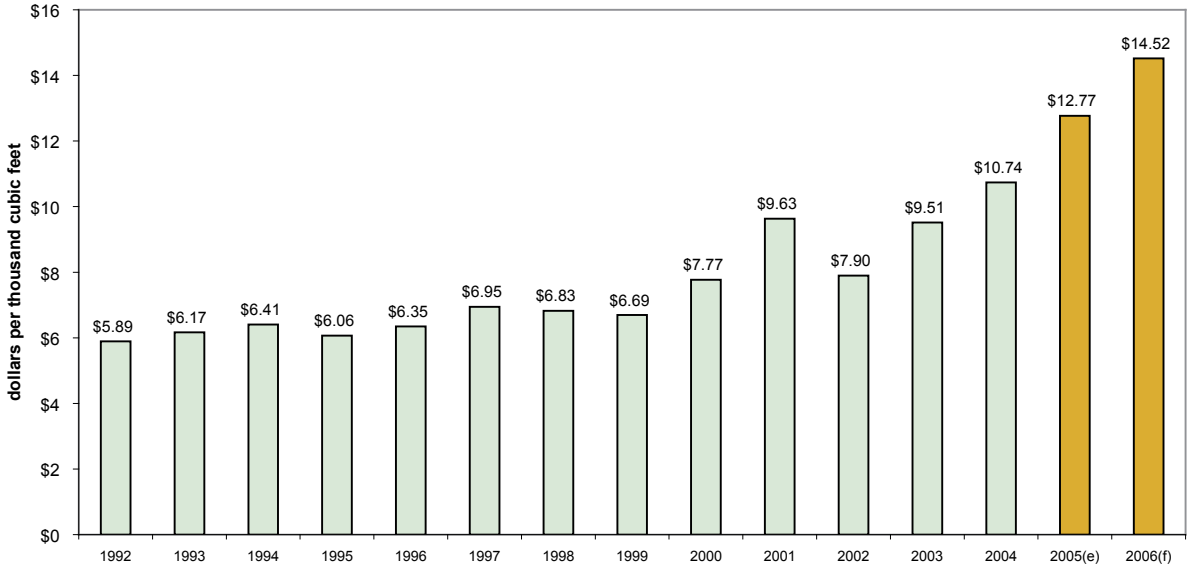
U.S. Average Retail Price of Regular Unleaded Gasoline: 1992 to 2006



Source: U.S. Energy Informatin Administration.

(e) - estimate (f) - forecast

U.S. Average Residential Natural Gas Price: 1992 to 2006



Source: U.S. Energy Information Administration.

(e) - estimate (f) - forecast

42 Wholesale Trade

Utah

Wholesale Trade comprises 3.7 percent of all state employment. It is a well-paying industry, as its average monthly wage of $3,751 is 42 percent higher than the statewide average for all industries.

Largest Employers

Associated Food Stores
Nu Skin International
Nicholas & Company
Sysco Intermountain Food
Nu Skin United States
Freightliner of Utah
IBM
Intel Corporation
International Paper
Brashers Auto Auctions
Utah Auto Auction
Ikon Office Solutions
The News Group
Frank Edwards Co.

2004	Employment	Wage*
Total	**41,107**	**$3,751**
Merchant Wholesalers, durable goods	**20,524**	**$3,542**
Motor Vehicle and Parts	2,521	$2,650
Furniture and Furnishings	350	$2,929
Lumber and Constructions Supply	2,028	$3,376
Commercial Equipment	3,571	$4,550
Metal and Mineral Merchant	963	$3,830
Electric Goods	1,862	$3,851
Hardware and Plumbing	1,601	$3,619
Machinery and Supply	5,110	$3,528
Miscellaneous Durable Goods	2,518	$2,864
Merchant Wholesalers, nondurable goods	**12,521**	**$3,403**
Paper and Paper Products	1,255	$2,901
Druggists' Goods	2,079	$5,286
Apparel and Piece Goods	358	$2,832
Grocery and Related Products	4,640	$3,148
Farm Product Raw Materials	271	$2,899
Chemicals	728	$4,271
Petroleum Products	658	$3,601
Alcoholic Beverages	543	$3,164
Miscellaneous Nondurable Goods	1,990	$2,219
Electronic Markets & Agents & Brokers	**8,062**	**$4,823**

* Average Monthly Wage

NAICS North American Industry Classification System

industry history
wholesale trade

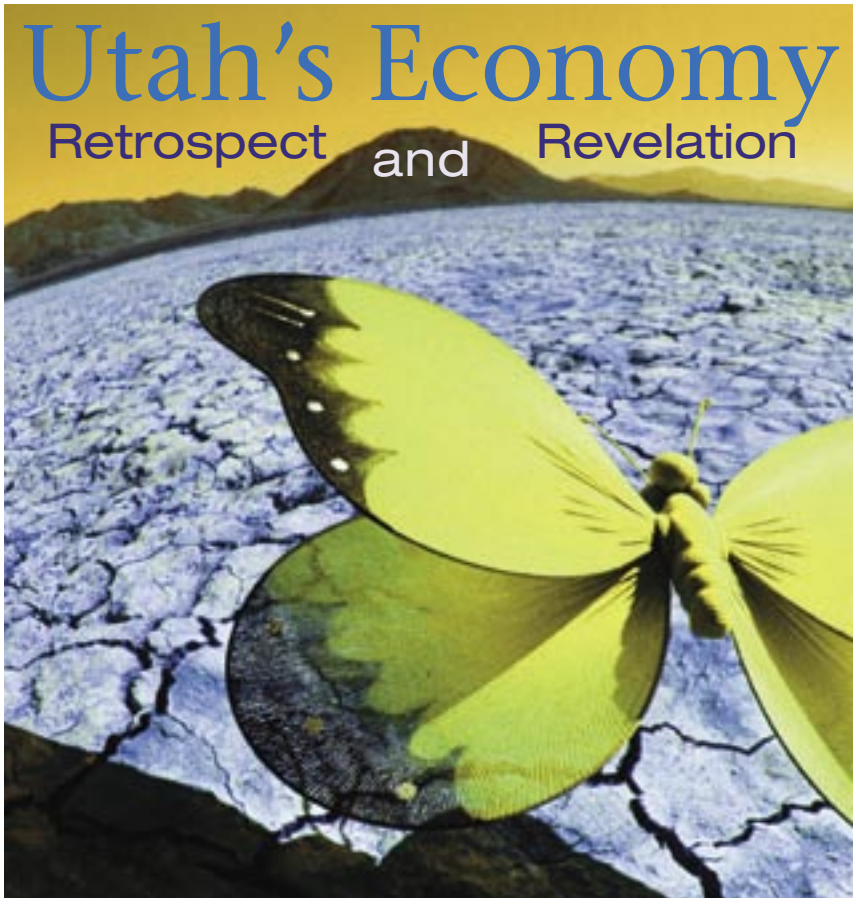
Year	Employment	Average Monthly Wage	% of Utah Avg. Wage	# of Establishments	Payrolls	Emp. % of State Totals	Payroll % of State Total
2000	40,471	$3,466	144.3	5,044	$1,683.3 M	3.8	5.4
2001	41,157	$3,484	141.1	5,219	$1,720.6 M	3.8	5.3
2002	40,441	$3,517	140.1	5,320	$1,706.7 M	3.8	5.3
2003	40,172	$3,567	139.8	5,353	$1,719.6 M	3.7	5.2
2004	41,107	$3,751	142.1	5,517	$1,850.2 M	3.7	5.3

county profiles
wholesale trade

County	A/F.S. Employment	% of State A/F.S. Emp	A/F.S. % of County Total Employment	Largest A/F.S. Employer
Salt Lake	27,440	66.8	5.1	Nicholas & Company
Utah	4,090	9.9	2.6	Nu Skin International
Weber	2,669	6.5	3.0	Associated Food Stores
Davis	2,635	6.4	2.8	Utah Auto Auction
Washington	785	1.9	1.8	Quality Park Products
Cache	704	1.7	1.5	Intermountain Farmers
Uintah	424	1.0	3.9	Golden Empire
Box Elder	399	1.0	2.2	Coca Cola Bottling
Iron	340	0.8	2.3	Cedar Livestock Market
Morgan	156	0.4	8.3	Browning

Utah's Economy

Retrospect and Revelation



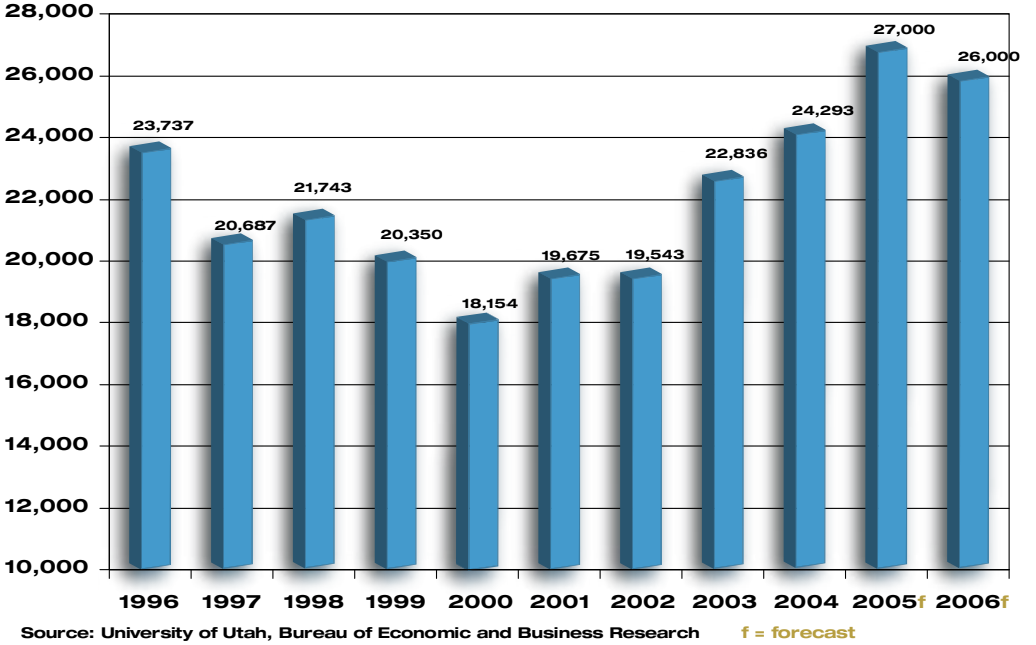
Another year has come and gone, and it's time to take an economic look in review at 2005. Let's also speculate as to how 2006 will unfold.

In Utah, 2005 turned out to be an economically robust year. Preliminary information shows that the employment base expanded by over 39,000 new jobs. The resulting growth rate of 3.5 percent nearly doubles the national growth rate and ranks Utah within the top 5 states nationwide in terms of employment growth rate. This is also the best Utah economic performance since 1997. It places 2005 right in line with Utah's long-term average of 3.3 percent employment growth per year since 1960.

It is not just employment numbers that paint a robust Utah economy. Sales tax receipts are also coming in very strong for 2005, showing both robust consumer spending along with a high volume of business investment. The construction industry is booming with 2005 showing a record year for housing starts. In addition, the list of active and expected commercial and industrial projects for Utah is extensive and continues to grow.

Population growth was very robust in 2005. It is estimated that Utah's population grew by 3.2 percent, and the number of Utahns is now over 2.5 million. Overall, 2005 lays to rest the sluggish economic climate of the early 2000s.

Utah Residential Housing Starts; Permit Approvals
1996 - 2006



Source: University of Utah, Bureau of Economic and Business Research f = forecast

The biggest surprise and the headline industry for 2005 is construction. Construction is usually not the driving industry in the economy. Construction accounts for 7 percent of Utah's employment base, yet in 2005, it accounted for 21 percent of all the new jobs created. It led all industries with the addition of over 8,000 new jobs. It hasn't been since the mid-1990s that Utah has seen construction growth like this. A building boom is ongoing in Utah, and it is not just residential housing activity. There are also plenty of commercial and industrial projects. The list of large projects scheduled to begin in 2006 is extensive, so it is anticipated that construction will continue to be a driving force in the Utah economy in 2006.

What more can we expect for 2006? The dynamics are in place for Utah's economy to continue to expand. Initially, Utah's economy should keep building off the current momentum, but the growth rate will be just slightly below the 2005 level. The economy would be growing at a higher pace if we didn't anticipate a return to high gasoline prices again next summer. They won't be high enough to derail the economy, but it will temper the growth potential.

Population growth is expected to remain high, largely driven by strong in-migration, fueled by a flourishing Utah economy coupled with economic weakness in other parts of the country. As mentioned, a lot of construction projects are on the table. New housing starts are expected to be slightly below the 2005 level, but still the second-best year ever. Taxable sales are expected to increase by 5 percent, fueled by a growing economy and consumers who are willing to spend. All in all, 2006 should be a continuation of the current economic vitality.

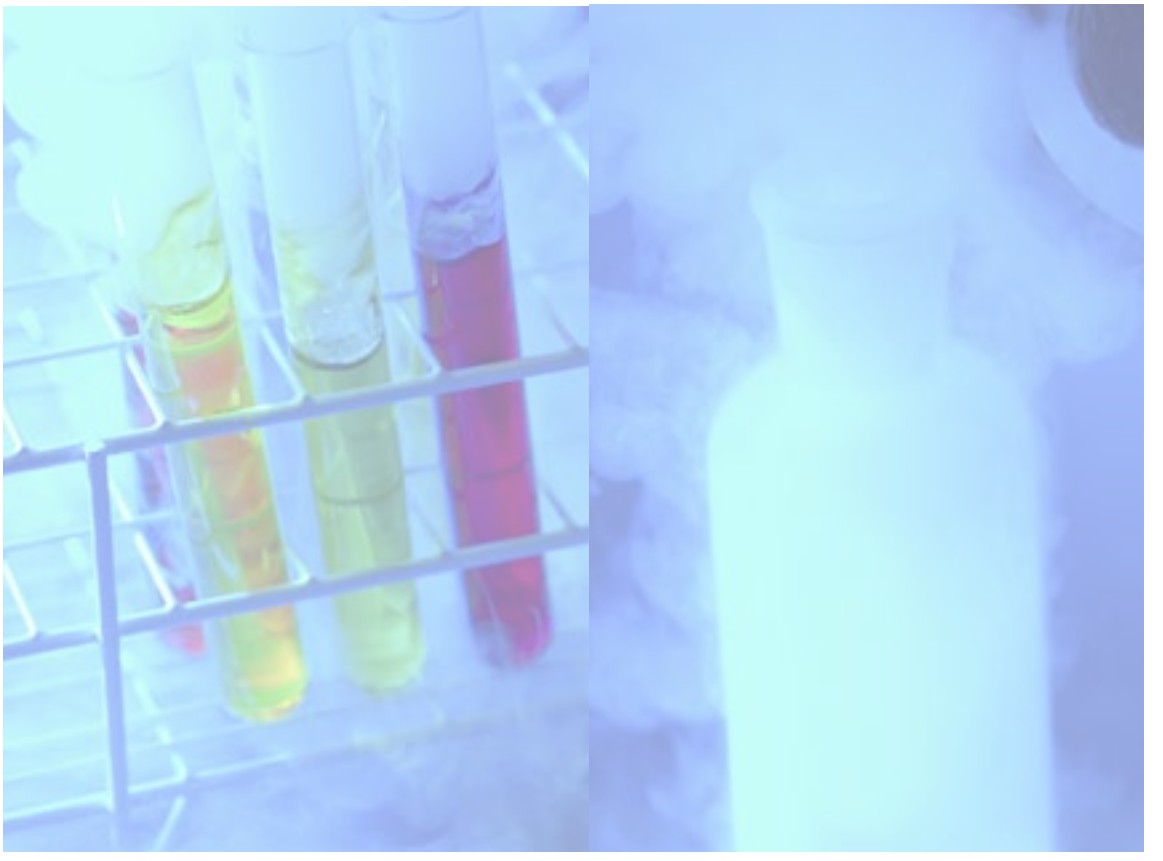
UTAH POPULATION, LABOR FORCE, AND NONAGRICULTURAL JOBS
2005 - 2006

	2005p	2006f	04-05	05-06
Total Population	2,547,400	2,622,000	3.2	2.9
Civilian Labor Force	1,248,875	1,280,100	3.8	2.5
Employed Persons	1,190,600	1,223,800	4.4	2.8
Unemployed Persons	58,275	56,300	-7.4	-3.4
Unemployment Rate	4.7	4.4		
Total Nonfarm Jobs	1,143,500	1,180,800	3.5	3.3
Mining	8,100	8,700	14.4	7.4
Construction	81,000	86,800	11.5	7.2
Manufacturing	117,600	120,300	2.5	2.3
Trade, Trans., Utilities	224,400	230,600	2.4	2.8
Information	31,700	33,300	4.7	5.0
Financial Activity	67,000	68,300	3.0	1.9
Professional & Business Services	145,200	151,800	5.1	4.5
Education & Health Services	128,200	133,100	4.0	3.8
Leisure & Hospitality	104,300	106,800	2.2	2.4
Other Services	33,400	34,200	1.5	2.4
Government	202,600	206,900	1.9	2.1
Goods-producing	206,700	215,800	6.3	4.4
Service-producing	936,800	965,000	3.0	3.0
Percent Service producing	81.9%	81.7%		
Total Nonag Wages (millions)	$37,610	$40,150	7.4	6.8
Avg. Annual Wage	$32,890	$34,002	3.8	3.4
Avg. Monthly Wage	$2,741	$2,834	3.8	3.4
Establishments (first quarter)	77,616	82,100		

p = preliminary f = forecast
Updated: November, 2005

The Experiment

Everyone can appreciate that higher wages translate into higher personal income and to a better quality of life - something we all want.



What picture would you get if you put 100 random Utah workers in a room and asked them about what they did and how much they made? What kind of jobs would they have? Would they be a relatively low-paid group, or would there be a bunch of well-paid professionals in attendance? These questions and many more are important not only to policymakers and economists, but also to every citizen of the state of Utah. Everyone can appreciate that higher wages translate into higher personal income and to a better quality of life – something we all want.

So, to answer the questions posed by our little thought experiment we turn to data collected by the Occupational Employment Statistics (OES) program of the Bureau of Labor Statistics. The OES collects wage data and provides employment estimates for hundreds of different jobs in the United States.

The Experiment

After randomly selecting 100 Utah workers, what do we see? Perhaps the most striking thing is that 60 of those selected are making less than $15.00 an hour, with 31 of those making less than $10.00 an hour. What are these people doing that earns that kind of wages? Well, we can pinpoint three retail salespeople, three cashiers, two janitors, two office clerks, and two customer service

representatives, among many others. The other 48 workers represent 268 different occupations, covering roughly 45 percent of all the occupations in Utah.

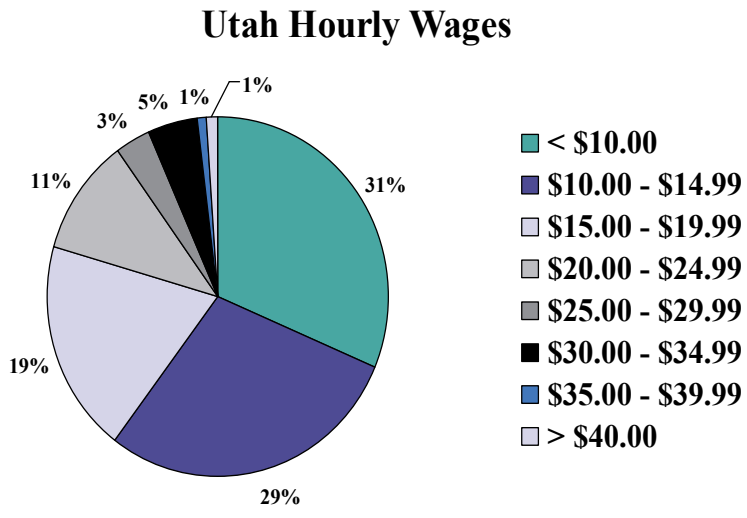
Beyond those that make less than $15.00 an hour, 30 workers in the room would be making between $15.00 and $24.99 an hour. Among these folks there would be two heavy truck drivers, a carpenter, an elementary school teacher, an electrician, a registered nurse, and an accountant. The other 22 workers would represent 235 other occupations, or about 40 percent of occupations in Utah.

So, after covering 90 of the 100 workers in the room and 85 percent of the occupations in the state, who do we have left? Well there would be three people who made between $25.00 and $29.99, five people with wages between $30.00 and $34.99, and two people who made more than $35.00 an hour. These last ten workers represent 98 different occupations, so nailing them down to a single occupation is difficult. However, there would most certainly be at least one computer programmer and one general manager in the group.

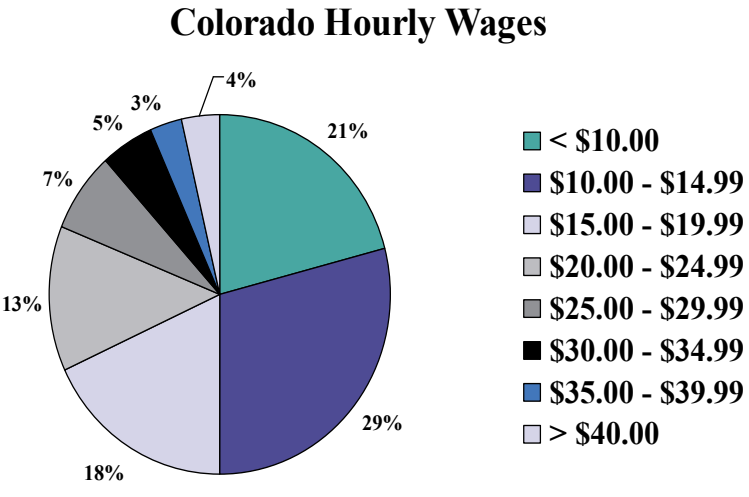
Woe is Utah?

While our 100 hypothetical workers are getting to know each other, we have time to consider if wages in Utah are much lower than those of some of our neighbors. If you took a similar 100 worker sample from our eastern neighbor, Colorado, 50 of those workers would make less than $15.00 an hour – 10 fewer than Utah. Perhaps a better comparison would be with Nevada, a fast growing state like ourselves, where 62 workers would be making less than $15.00 an hour. One point worth noting is that in both states the number of people making less than $10.00 an hour is significantly smaller than in Utah.

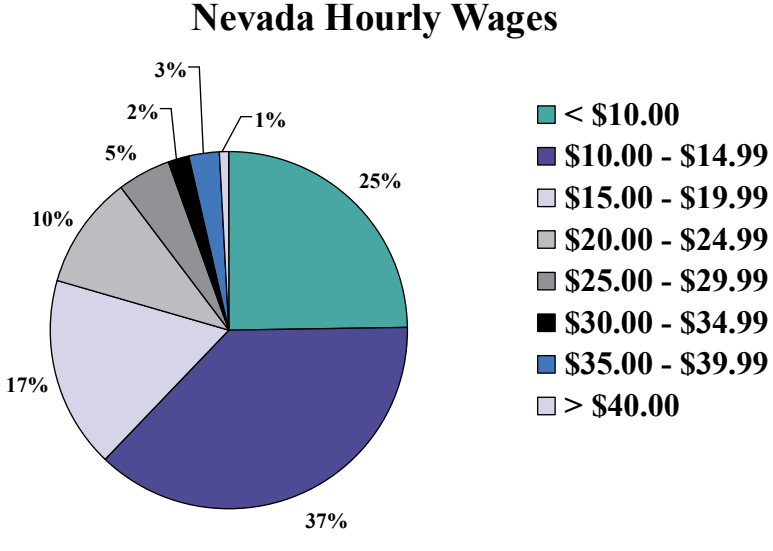
Do these numbers mean that Utah's workers are paid significantly less than those in other states? Not necessarily. The numbers generated by the OES program are nominal figures, which do not take cost-of-living differences into account. Nominal wages in Utah may be lower, but after adjustment they may be quite competitive. Another factor that is undoubtedly important is the state's demographic mix. Utah has one of the youngest workforces in the nation, thus it isn't shocking that there would be more workers – think teenagers – working for less than $10.00 an hour.



Source: Bureau of Labor Statistics (OES Data, November 2004 Panel)



Source: Bureau of Labor Statistics (OES Data, November 2004 Panel)



Source: Bureau of Labor Statistics (OES Data, November 2004 Panel)

Big $penders

Occupational Wage Comparison Across United States Cities

Overview

We have all heard comments suggesting that wage levels in Salt Lake City are low, and that wages in other parts of the country are much higher than in Salt Lake City. A nominal wage comparison across cities shows this to often be true. But that is looking at only half the picture. A more complete analysis would also take into account the cost of living in those cities. In other words, couple the occupational pay with a cost-of-living adjustment, producing a real-wage comparison. Does a $28-an-hour job buy its recipient more or fewer goods and services in San Diego than a $25-an-hour job in Salt Lake City? Introducing a city-by-city cost-of-living adjustment is the only way to properly answer that question. This article's purpose is to evaluate Salt Lake City's measured median occupational pay against 50 United States cities, with an adjustment made for cost of living across those cities. After making that adjustment, how does Salt Lake City's occupational pay now look in relation to its neighbors?

Methodology

The U.S. Bureau of Labor Statistics (BLS) measures occupational wages within most metropolitan areas across the United States. The results of this very comprehensive survey are available at http://stats.bls.gov/oes/current/oessrcma.htm. Including the hundreds of surveyed occupations in this comparison is impractical, so only occupations with the highest levels of employment in the Salt Lake City metropolitan area were selected. This resulted in a group of 158 occupations (67 percent of measured employment in the Salt Lake City metropolitan area). The median pay was chosen instead of the average pay because it offers a better measure of central tendency. Averages can be skewed by extreme outliers at either end of the spectrum. These same occupations and their median pay were then extracted for 50 other cities across the United States for comparison. In addition, occupations from all major groups in the Standard Occupational Classification (SOC) coding system were selected for representation.

To be able to compare real wage buying power, the American Chamber of Commerce Researchers Association (ACCRA) index was used (http://www.coli.org/). This is private, for profit, copyrighted information, so the cost-of-living indexes cannot be listed in this article.

Here's how this adjustment is calculated: The median wages for an accountant in both Salt Lake City and San Diego are measured from the BLS survey. If the ACCRA cost-of-living index has Salt Lake City six percent below the national average, then the median accountant wage in Salt Lake City will be adjusted up by six percent. Correspondingly, if San Diego is 30 percent above the national average, the accountant's median wage in that city will be lowered by 30 percent. This produces an adjusted accountant wage for each city. These new wage levels can then be compared to see which city's adjusted wage ranks higher.

This adjustment was done for all cities, all occupations. All city results were evaluated and measured against two criteria: What percentage of time did each city's adjusted occupational wages measure above the national median? What percentage of time did their adjusted occupational wages measure in the top one-fourth of the Metropolitan Statistical Areas (MSAs)? If an occupation fell within the top 25th percentile, that city would be credited both with having that occupation measure above the national median, and also in the top 25th percentile (see table).

Cost-of-Living Adjusted Occupational Wage City by City Comparison Percent of Time Above the Median Percent of Time in the 25th Percentile 2004					
Cities	Number of Observed Occupations	Percent of Time Occupations Measured Above the National Median		Cities	Percent of Time Occupations Measured in the 25th Percentile
Cincinnati	156	94%		Cincinnati	67%
Denver	157	89%		Dallas	65%
Kansas City	156	86%		Kansas City	65%
Milwaukee	155	84%		Houston	61%
Atlanta	158	83%		Charlotte	59%
Houston	155	83%		Denver	59%
Charlotte	154	82%		Memphis	56%
Memphis	155	81%		Atlanta	47%
Louisville	155	80%		Raleigh	46%
Dallas	159	79%		Buffalo	45%
Jacksonville	147	78%		Jacksonville	44%
Raleigh	156	77%		Milwaukee	43%
Detroit	154	74%		Detroit	43%
St. Louis	157	74%		Louisville	40%
Cleveland	157	72%		Nashville	37%
Indianapolis	157	72%		Minneapolis	34%
Minneapolis	158	72%		Reno	32%
Nashville	156	71%		Pittsburgh	32%
Buffalo	157	66%		Cleveland	31%
Pittsburgh	157	64%		Indianapolis	31%
Salt Lake City	157	63%		St. Louis	31%
Phoenix	156	61%		Seattle	26%
Seattle	156	57%		San Antonio	25%
San Antonio	153	54%		Sioux Falls	23%
Tampa	154	51%		Oklahoma City	20%
Boise	140	49%		Salt Lake City	20%
Reno	139	46%		Phoenix	19%
Baltimore	158	46%		Lincoln	17%
Sioux Falls	132	45%		Las Vegas	17%
Oklahoma City	157	44%		Tampa	17%
Portland	152	41%		Tucson	17%
Tucson	150	41%		Baltimore	16%
Anchorage	133	39%		Portland	16%

Las Vegas	147	39%		Boise	16%
New Orleans	155	35%		New Orleans	16%
Lincoln	139	34%		Anchorage	16%
Columbia	151	32%		Albuquerque	14%
Albuquerque	154	31%		Montgomery	11%
Montgomery	147	30%		Queens	11%
Queens	149	26%		Columbia	10%
Philadelphia	158	21%		Miami	5%
Miami	151	15%		Philadelphia	4%
Boston	155	12%		Chicago	4%
Chicago	156	10%		Washington DC	4%
Washington DC	158	7%		Providence	1%
Providence	147	3%		Manhattan	1%
Los Angeles	156	3%		San Francisco	1%
San Diego	156	3%		Boston	1%
San Francisco	153	2%		Los Angeles	1%
San Jose	156	2%		San Diego	1%
Manhattan	150	1%		San Jose	1%

Note: Not all cities had available wages for each occupation. Each city's percentage was calculated only against the number of obserable occupations for that city.

The Salt Lake City MSA was the only Utah city used in the calculations. Occupational wages are available for the Provo-Orem metropolitan area, but there was no ACCRA cost-of-living data available for that area.

Both the BLS occupational wages and the ACCRA cost of living are based upon 2004 information. The ACCRA cost-of-living index is published quarterly, so the cost-of-living index used for each city was an average index of the four quarters of 2004.

Results

Adjusting occupational wages across cities largely followed a common theme. Quite often, a city whose nominal — or non-adjusted — occupational wage was high on the list for that occupation, found itself moving low on the list when the cost-of-living adjustment was calculated. For example, San Francisco, San Jose, Boston, and New York were often at the top of the list for the median wage paid within an occupation. Yet because the cost of living is high in those cities, when that high cost of living is factored in, the purchasing power of those wages is sharply reduced.

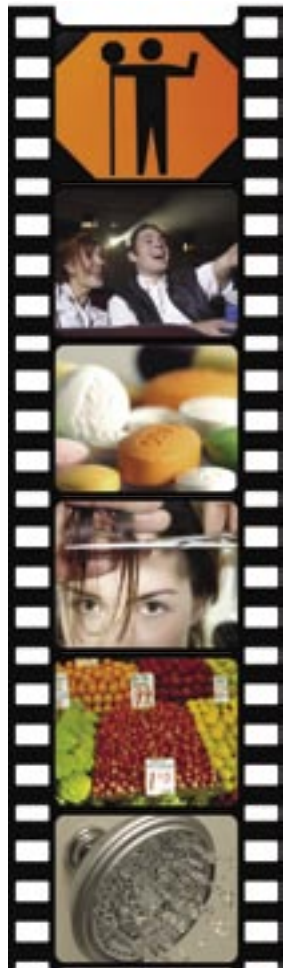
As noted, Salt Lake City's nominal wage levels are not favorable when compared against many other cities. Prior to making a cost-of-living adjustment, only 19 percent of Salt Lake City's occupations showed a median wage in the upper half of all MSAs. Further, just 1 percent of the occupations had wages in the top 25th percentile. So, looking just at nominal median occupational wages does not paint Salt Lake City wages in a favorable light.

But that's only half the picture, and it offers a deceptive conclusion. That cost-of-living factor needs to be accounted for, and it changes the picture dramatically. Once the cost-of-living adjustment is made, Salt Lake City occupations measure above the national median 64 percent of the time — a vast reversal from the 19 percent registered before the cost-of-living adjustment. In addition, 20 percent of the Salt Lake City MSA occupations rank in the top 25th percentile for median wage, compared to only 1 percent prior to the adjustment.

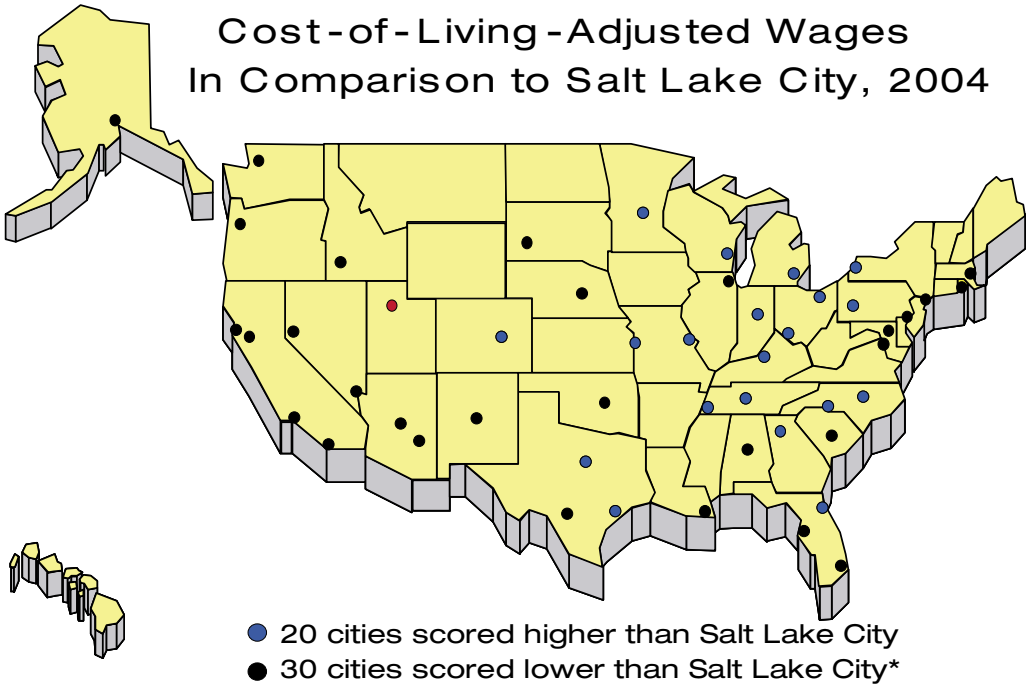
Nationwide, a pattern emerges. Once wages are adjusted for cost of living, cities in the central/south-central portion of the country score best. Cincinnati, Kansas City, Charlotte, Atlanta, and Houston stand out as cities with the most bang for one's wage buck. Cities on the northeast coast and most of the western United States do not score well. Salt Lake City scored better than 30 other cities, and below 20 cities.

The best western city (and one of the best cities

nationwide) is Denver. However, Denver is the only western city that betters the Salt Lake City MSA. Much of the west coast and Nevada is characterized by a high cost of living. That erodes — and even negates — the high wages paid in those cities. In relation to our area's neighbors and competing western cities, Salt Lake City's wages score better when coupled with the affordability of goods and services. In other words, in the West, Salt Lake City does offer a competitive wage/cost-of-living package to workers.



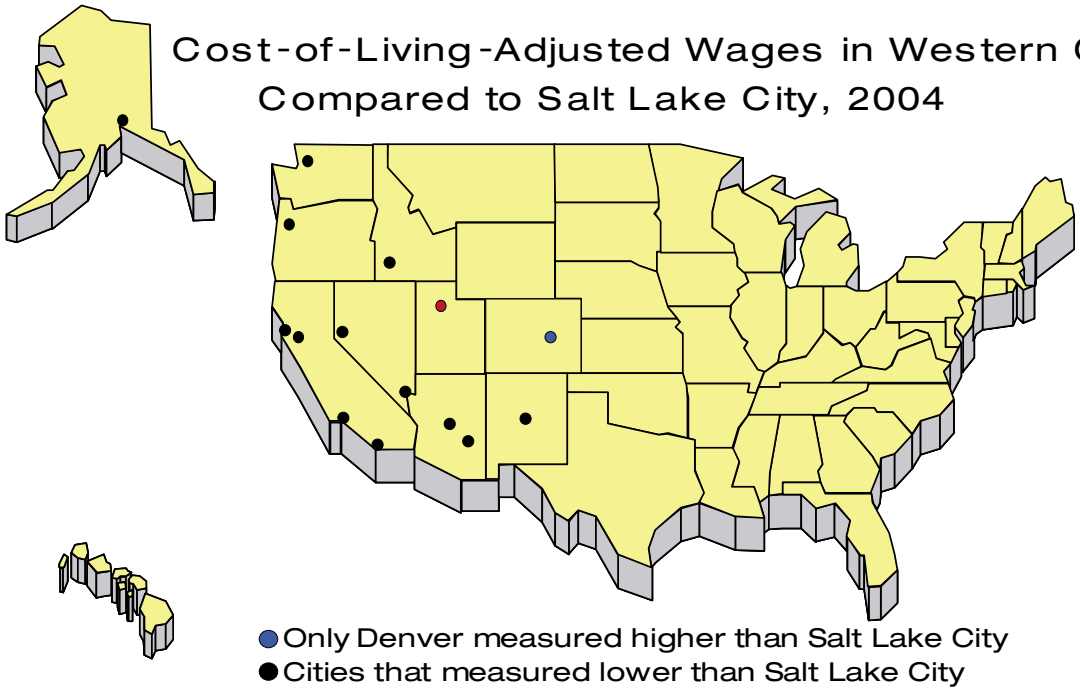
Cost-of-Living-Adjusted Wages In Comparison to Salt Lake City, 2004



* Includes Queens and Manhattan

Source: U.S. Bureau of Labor Statistics OES Wage Survey adjusted by American Chamber of Commerce Researchers Association Cost of Living Index. Criterion is based upon the % of each cities occupations that measured above the national median in relation to Salt Lake City's 64% measurement.

Cost-of-Living-Adjusted Wages in Western Cities Compared to Salt Lake City, 2004



Source: U.S. Bureau of Labor Statistics OES Wage Survey adjusted by American Chamber of Commerce Researchers Association Cost of Living Index. Criterion is based upon the % of each cities occupations that measured above the national median in relation to Salt Lake City's 64% measurement.

The Changing Face of Utah

Most of you weren't there, but in 1950 Utah's population and economic composition was a lot different than in 2000.

We're talking about 1950. Only about 15 percent of you were even alive. In 1950, the very first baby-boomers were only 4 years old.

The Then and Now of Population in Utah

Do you think Utah's population was the same then as now? Obviously there was much growth (Utah still has the highest birth rate and lowest median average age in the nation). Utah's population in 1950 was about 700,000. In 2000 that number had risen to 2.25 million, a three-fold increase. Let's take a look at the "then and now" on where people live in the state.

Seven counties have maintained their "share" of total population, within a 0.1 percent difference in population between 1950 and 2000. Most surprising is the largest, Salt Lake County (40.1 percent then and 40.2 percent now). The rest were small and included Daggett (0.1 percent of total Utah population); Grand (0.3 percent); Iron (1.4 percent); Kane (0.3 percent); Morgan (0.4 percent); and Rich (0.2 percent).

Counties that have significantly increased their population over the 50 years (that's an increase in population, not the rate of increase) were Salt Lake, up by 624,000 (from 279,000 in 1950) and Utah County with about 290,000 more persons over the 1950 count of 83,000.

Two counties have actually lost population between 1950 and 2000. Carbon County dropped some 4,400 persons, down from 24,800 and Piute County fell by about 460 residents, down from 1,900 in 1950.

By far the fastest-growing county in Utah, compared to 1950, was—yep, you guessed it—Washington County. Population has increased over nine-fold from the 9,800 in 1950 to 91,100 in 2000. (See the text box for more population facts.)

Utah Population is Still Concentrated in the Metro Counties

In 1950 about two-thirds of all Utahns dwelt in the four counties within a 50-mile north/south corridor of Salt Lake City. Weber, Davis, Salt Lake, and Utah counties were where the action was. By 2000, these counties increased their share to over 75 percent. That's three-fourths of all people in the Beehive State. Interesting to note is that Salt Lake County's relative share of total population in 2000 stayed within one-tenth of one percent of the 1950 share of total population. That's 40.1 percent in 1950 and 40.2 percent in 2004. Both Davis and Utah counties grew significantly. Weber grew more slowly, actually losing its 12-percent share of population (1950), dropping to 9 percent in 2000.

Then and Now – A Perspective on Utah (1950 and 2000)

Jobs in the Industries of the Beehive State – Then and Now

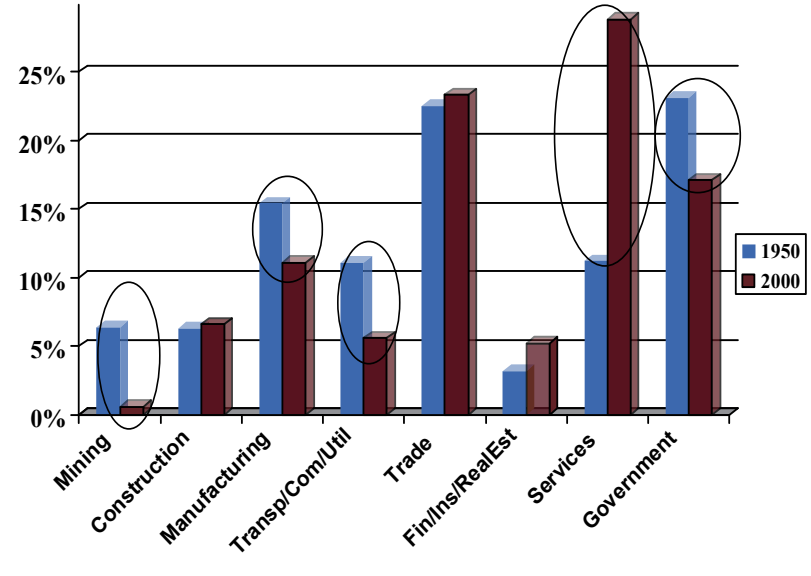
Business has changed a lot over the last 50 years in Utah. The post-WWII era, with the ending of hostilities and return home of cash-laden GIs, spawned the Baby Boomer Generation. The Boomers, and their parents created the pent-up demand for consumer goods and services. The Utah economy during that time was heavily influenced by the natural resource and government-based sectors in the economy. The manufacturing sector, including that portion processing copper and uranium, was an industry leader.

Things have changed. Industrial diversification and the surge from the goods-producing to service-producing and information economy evolved. This change has fostered diversity that, to some extent, insulated Utah from the vagaries of the economic recessions that affected other regions in the country, specifically the Rust Belt states in the Midwest and Northeast. During the last half of the 20th century Utah's industry makeup has evolved to a configuration that is much more like the nation.

Jobs in Utah's Industries, Then and Now **(see graph)**

Mining employment has lost its share of total jobs. In 1950, about 6.5 percent of all nonfarm jobs were in mining. By 2000, that share shriveled to 0.7 percent. Why? Two things happened to the economy during that 50-year period. First, other industries grew a lot faster than mining, thus reducing mining's share of total jobs. The loss of demand in the uranium market didn't help either. Second, technological improvements automated the mining industry. Re-tooling for economic efficiency and environmental compliance cost Utah thousands of jobs – both in the copper and coal mining industries. The result was fewer jobs but significant increases in productivity and output.

Industry Composition of Utah Jobs – Then and Now



Source: Utah Department of Workforce Services, Workforce Information, Nov 2005

Population Highlights of Counties in Utah 1950 - 2000

Largest Counties

2000	1950
Salt Lake 903,000	Salt Lake 279,000
Utah 372,000	Weber 85,000
Davis 240,000	Utah 83,000
Weber 198,000	Davis 31,000

Smallest

2000	1950
Daggett 1,000	Daggett 400
Piute 1,400	Rich 1,700
Rich 1,900	Piute & Grand 1,900

Metro (Weber, Davis, Salt Lake, Utah) Percentage of State Total

1950 69%
2000 76%

Most Growth

1950-2000
Salt Lake 624,000
Utah 289,000
Davis 209,000
Weber 113,000

Least Growth

1950-2000
Carbon - 4,400
Piute - 460
Rich 260
Wayne 320

Fastest Growing (percent)

Washington 930%
Davis 770%
Grand 449%
Summit 449%
Utah 448%

Manufacturing employment, as a percent of total jobs, slipped by 3 percent over the half century. The loss of these jobs impacted the average wage in the state.

Transportation, communication, and utilities lost half its share of jobs by 2000, at the same time we experienced significant population growth requiring these services. This industry actually tripled its employment, but the pace was still far below the rate of growth in other industries.

The largest impact, not only in the percent of total jobs, but in the sheer size was in the services industry sector. Its share more than doubled, from 11 percent to 29 percent of all jobs. Employment in services in 1950 was 21,000. By 2000 that count soared to 310,000 jobs.

Government was "bigger" in relative terms in 1950 than in 2000. At mid-century 23 percent of all jobs were in the government (federal, state, and local) sector. That percentage in 2000 had declined to 17 percent. This is significant because over the same time period population tripled. That's an increase of over 1.5 million people.

Construction, trade, and finance industries all increased their shares of total jobs, but only by about one percentage point.

Utah's employment or industry "mix" now resembles that of the nation. This is a positive shift because it is a more diverse economic structure which is not wholly reliant on just one or two industry sectors to fuel the state's economic engine. Diversity is good, as it helps moderate economic bad times.

More? Go to:

http://jobs.utah.gov/jsp/wi/utalmis/gotoPopulation.do

http://governor.utah.gov/dea/HistoricalData.html

the facts are....

August 2005			Changes From Last Year
Utah Unemployment Rate	4.5 %	↓	0.8 points
U.S. Unemployment Rate	5.0 %	↓	0.4 points
Utah Nonfarm Jobs (000s)	1,662.6	↑	3.5 %
U.S. Nonfarm Jobs (000s)	133,406.0	↑	1.4%
U.S. Consumer Price Index	199.2	↑	4.3 %
U.S. Producer Price Index	166.0	↑	10.7%

Source: Utah Department of Workforce Services

did you know?

According to the U.S. Census Bureau, Utah shows the lowest "age at first marriage" for both men and women. (http://www.census.gov)

Theme :
- Outlook for Grads, Summer Jobs for Youth

Highlighted County
- Wasatch

Industry
- Arts, Recreation, Entertainment

Next Time

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